

BRADSHAW WATER COMPANY, INC.

ORIGIN

112 Grove Avenue Prescott, Arizona 86301 (928) 778-1888

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**AZ CORP COMMISSION
DOCUMENT CONTROL**

November 16, 2001

Mr. Brian C. McNeil
Executive Secretary
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

NOV 19 2001

Re: Recommendation Docket #W-02476A-01-0502



Dear Mr. McNeil:

I am in receipt of the recommendation of Administrative Law Judge Philip J. Dion III regarding Bradshaw Water Company's application for a permanent rate increase dated 11/8/01. I find exceptions with the recommendations. In a letter to Mr. Steven Olea dated 11/13/01 and sent to Docket Control, I noted objections to Staff's recommendations and conclusions stated in the Staff Report prepared by Elena Zestrijan dated 10/5/01. I incorporate my objections to the Staff report stated in my 11/13/01 letter to Mr. Olea as exceptions with the recommendations by the Administrative Law Judge.

My objections to the Findings of Fact are as follows:

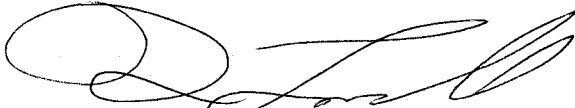
- (1) Findings of Fact 7 to 12: I object to Staff's adjustments to operating losses revenue, rates, rate base, cash flow in these findings. Costs for management, office supplies, postage, telephone, secretarial services, accounting, computer services, office rent, were not properly allocated to Accounts 601, 621, 630 and 641 by staff. Account 601 should be increased by \$9,000 and account 630 should be adjusted in accordance with my discussion of these accounts in my 11/13/01 letter to Mr. Olea.
- (2) Findings of Fact 19 and 24(f): Delete these findings because the Company has no "Major Deficiencies" as stated in the attached Compliance Status Report by Jim Puckett dated 11/14/01. Note, that the Company is in compliance with the annual lead and copper tests.
- (3) Findings of Fact 21: The Company failed to comply with Decision 60708 to file a rate increase application on or before December 31, 2000 (not March 1, 2001). The application was filed 6 months late, not 15 months late.
- (4) Findings of Fact 23: The Company is managed by its parent company Lynx Creek Ranch, Inc. Professional Brokers has nothing to do with the ownership of Bradshaw.

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(5) Findings of Fact 24 (e): Delete this finding because the Company already maintains a completely separate bank account, and does not co-mingle any funds with personal funds, or with the parent company. The account is Stockmen's Bank Account #1101007076.

(6) Findings of Fact 24 (f): I request that the proposed rate decrease not be implemented until my objections to staff recommendations and to the recommendation of the Administrative Law Judge be reviewed and considered.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don Lovell', with a large, stylized initial 'D'.

DON LOVELL
DL/rj

Enclosure

C: Steven M. Olea, Acting Director, Utilities Division
Elena Zestrijan, Auditor III
Dorothy Hains, Utilities Engineer
Bradley Morton, Consumer Service Specialist
Christopher C. Kempley, Chief, Legal Division
Lyn Farmer, Director, Hearing Division
Philip J. Dion III, Administrative Law Judge

**Arizona Department of Environmental Quality
Drinking Water Compliance Enforcement Unit
3033 N. Central Avenue, M0501B
Phoenix, AZ 85012**

Compliance Status Report

PWS Name: Bradshaw Water Company

PWS ID #: 13-141

Compliance Status: ☒ No Major Deficiencies ☐ Major Deficiencies
Comments:

Date of last inspection / sanitary survey: 8-2-94

Major Operation and Maintenance Deficiencies cited during inspection:

<input checked="" type="checkbox"/> None	<input type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage
	<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule
	<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> approval of construction
	<input type="checkbox"/> certified operator	

Administrative Orders:

Is ADEQ administrative order in effect? ☐ Yes ☒ No

Is US EPA administrative order in effect? ☐ Yes ☒ No

Comments:

System Information:

Number of Points of Entry 2 Population Served 100 Connections Served 87
Initial Monitoring Year 1995 MAP year 2001

DWCE Evaluation completed by: Jim Puckett

Phone: 602-207-4649 **Date:** 11-14-2001

Based on data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.